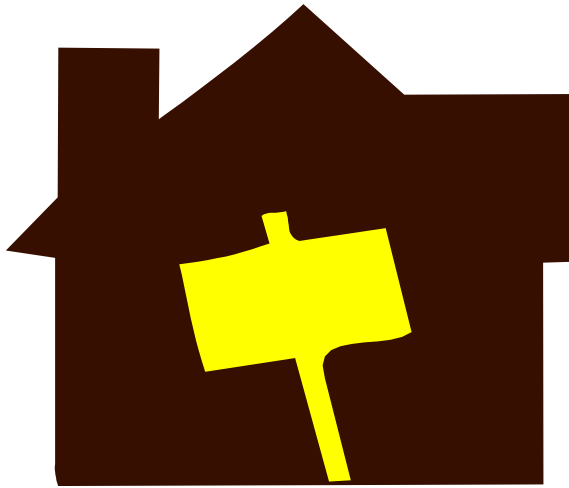


# Facts for Consumers



## Timeshare Resales



If you own a vacation timeshare — the use of a vacation home for a limited, pre-planned time — be cautious about people offering to help you resell it for a fee. Most of these sales programs are bogus. The market for resales is poor. One recent survey found that only 3.3 percent of owners reported reselling their timeshares during the last 20 years. Still, desperate to sell, many owners have been taken in by timeshare resale scams.

### The Resale Scam

Unscrupulous companies may contact you by phone or mail. Salespeople are likely to tell you the market for resales is "hot" and that their company has a high success rate in reselling units. They may claim to have extensive lists of sales agents and potential buyers. For an advance "listing" fee, often \$300 to \$500, some salespeople promise to sell your timeshare for a price equal to or greater than your purchase price. To further entice you, they may offer a money-back guarantee or a \$1,000 government bond if they can't sell your timeshare within a year. Others offer to purchase your timeshare for 80-90 percent of its appraised value if they don't sell it within a specified time.

In reality, the market for resales may vary considerably, depending on the location and time of year. The lists of sales agents and buyers may consist of people who have never heard of the company or have no interest in buying a timeshare. It may be unlikely that the company can sell the timeshare at all, let alone at a price equal to or greater than your original purchase price. In addition, many

consumers whose timeshares don't sell after a year may be presented with a government bond worth only \$60 or \$70 or told there's no refund on their listing fee.

### If You Want to Sell

If you want to resell your timeshare and are approached by a company offering to help, consider taking these precautions:

- Don't agree to anything over the phone until you've had a chance to check out the company.
- Ask the salesperson to send you written materials.
- Find out where the company is located and where it does business.
- Contact the Better Business Bureau, state Attorney General, and local consumer protection agencies in the state where the company is located. Ask whether complaints have been lodged against the company.
- Ask if the company's salespeople are licensed to sell real estate by the state where your timeshare is located. If so, verify this with the state licensing board.
- Be wary of companies charging an advance "listing" fee for services. Consider opting for a company that offers to sell for a fee only **after** the timeshare is sold.

You have several other resale options. You may try selling your timeshare yourself, by placing an ad in a newspaper or magazine, or contacting a real estate agent familiar with the area. If all the timeshares have been sold in your development, consider asking the seller to establish an on-site resales office. As an alternative, you may consider an exchange program. For a fee, these programs allow you to arrange trades with other resort units in different locations.

## **For More Information**

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If you have complaints about a company that offers to resell timeshares, you may wish to contact the FTC. Although the FTC cannot represent you directly in a dispute with a company, it can act when it sees a pattern of possible law violation. Contact the Consumer Response Center by phone: toll-free 1-877-FTC-HELP (382-4357); TDD: 202-326-2502; by mail: Consumer Response Center, Federal Trade Commission, 600 Pennsylvania Avenue, NW, Washington, DC 20580; or by email: use the complaint form at [www.ftc.gov](http://www.ftc.gov).

For a free copy of **Best Sellers**, a complete list of FTC publications, contact the Consumer Response Center. You also can access FTC publications at [www.ftc.gov](http://www.ftc.gov).

Federal Trade Commission	Toll-free 1-877-FTC-HELP
<a href="http://www.ftc.gov">www.ftc.gov</a>	For the Consumer